

HIV/AIDS is affecting and will continue to affect economies and society at all levels, from the household to the macro-economy. Between these extremes are effects on communities, enterprises, and social and economic sectors. It is at the lower middle levels, which include productive sectors, that the worst effects may be experienced and interventions are most urgently required. The epidemic will affect production in two ways: firstly, increased morbidity (illness) and mortality (death) among workers; secondly, changes in earning capacity and the pattern of expenditure. People may earn less and divert their incomes from consumption and savings to health care.

This series of AIDS briefs examines key economic sectors; identifies their vulnerability; and provides policy makers, programmers, the private sector and donors with guidelines indicating broad areas of response. It should be remembered that the impact will vary between countries and within countries depending on local circumstances and conditions. There is at present only limited or no empirical evidence of the impact of the epidemic. Thus these AIDS briefs point to what is currently known and what may happen.

Background

Commercial agriculture is defined, for this AIDS brief, as farming in which the output is sold commercially, inputs are purchased, there is mechanisation, and labour is employed. This includes both estates and large family farms.

The commercial agricultural sector is of considerable importance in most developing countries. It is a major source of exports and foreign exchange earnings. It provides food to urban populations, and permanent and seasonal formal sector employment.

Key Elements

Labour

The first impact of the HIV epidemic will be felt in the labour force. Typically a person is infected in his or her late teens or twenties. Once a person is infected with the virus it may take five years or more before the individual experiences illness. Episodes of sickness will increase in frequency, duration and severity until the person is incapacitated. A person may live for one to two years after the first period of illness. The period of healthy life can be extended by early and appropriate health care and support. The age of persons developing AIDS is



Checklist

☐ Vulnerability to HIV Spread

- ☐ Large concentration of workers (single sex)
- ☐ Migrant/seasonal workers
- ☐ Multiple sex partners
- ☐ High level of alcohol consumption
- ☐ High levels of STIs among workers
- ☐ Drug usage prevalent
- ☐ Transport workers and transit points
- ☐ Low status of women

☐ Vulnerability to the Impact

- ☐ Does farming depend on skilled workers, experts, etc.?
- ☐ Does farming depend on experienced staff?
- ☐ Does the enterprise provide generous benefits: medical care, housing, etc.?
- ☐ Does farming depend on attracting capital, e.g. direct investment, loans, etc.?
- ☐ Is the enterprise located in an area with high levels of HIV-prevalence, etc.?

☐ Prevention

Give workers access to:

- ☐ Affordable, quality condoms
- ☐ Education on safer sexual behaviour
- ☐ Affordable (free) and effective diagnosis and treatment of STIs
- ☐ Access to safe free-time activity

☐ What Can Be Done

- ☐ Reduce unsafe behaviour
- ☐ Address other risk factors
- ☐ Provide health care and social services
- ☐ Broaden recruitment, training and promotion base

significant, as typically they will have received education and training and be gaining experience in the workplace (investment in human capital). They will also have families and so will leave orphaned children.

The effect of AIDS will be felt in:

- **Productivity:** The illness and premature death of employees will affect productivity through absenteeism, replacement of skilled and experienced workers with less skilled or experienced people, and a decline in the overall health of the labour force. Employees will take sick leave (paid and unpaid) and annual leave before being discharged.
- **Employee benefits:** These vary between enterprises, but in larger firms may include medical care, pensions, insurance, housing, and death benefits.
- **Replacement costs:** These will vary with the skill level and availability of replacement labour. It is often, initially, the most highly paid/skilled workers

who have the most unsafe sexual behaviour and who may be difficult and expensive to replace (the cost of replacing senior staff is estimated at 30% to 100% of annual salary).

- **Staff morale:** The loss of colleagues, increased workloads, and uncertainty as to their own sero-status may adversely affect staff morale.

Capital

Capital is essential for continuation and expansion of productive activity. Working capital is needed to cover the cost of seed, fertiliser, machinery, and other assets. Expansion of activities requires investment (fixed capital). If capital is raised from past profits, the diversion of funds to care may reduce this; if raised from outside investors, high HIV prevalence may reduce the perceived profitability and attractiveness of the firm.

Sectoral Response

Where enterprises have responded they have begun by assessing the problem: estimating the state of the epidemic, projecting its spread, and establishing risk factors which are particular to the sector or the individual enterprise.

The next step is to locate areas of vulnerability and develop plans for dealing with them. For example, if skilled labour is scarce then additional workers can be

recruited; if medical costs are likely to escalate then a treatment code can be drawn up and cost effective home-based care can be explored. Above all, every effort should be made to reduce the spread of the virus. The problem is a new one: no one is quite sure how it will affect any sector yet. It is certain to have an impact, the response will be costly, but not doing anything would be even more costly.

Reducing Vulnerability to the Spread of the Epidemic

The key to reducing vulnerability to the spread of the epidemic is to change behaviour. This means reducing the number of partners and encouraging condom use. Thus all enterprises should provide education and condoms. Help can be sought from professionals, including national AIDS control programmes, donor organisa-

tions, NGOs and private companies. The enterprise must also establish if they have work or cultural practices that facilitate the spread of HIV. Do they employ seasonal workers away from their families; are employees required to travel as part of their employment? If so, what can be done?

Useful References

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